

EDUCATION BUREAU CIRCULAR MEMORANDUM NO. 9/2022

From : Permanent Secretary for Education To : Supervisors and Heads of Kindergartens,
Kindergarten-cum-Child Care Centres
and Schools with Kindergarten Classes

Ref. : EDB(KGA)/KGES/3/1(2)

Date : 2 March 2022

Rental Subsidy Under the Kindergarten Education Scheme in the 2022/23 School Year

SUMMARY

This circular memorandum sets out the eligibility, application procedures, usage and disbursement arrangement of the rental subsidy under the Rental Subsidy Scheme (RSS) and invites application from kindergartens, kindergarten-cum-child care centres and schools with kindergarten classes (hereafter collectively referred to as KGs) approved to join the kindergarten education scheme (Scheme) for rental subsidy under RSS in the 2022/23 school year. This circular should be read in conjunction with [Education Bureau \(EDB\) Circular No. 7/2016](#) dated 20 July 2016.

DETAILS

Background

2. KGs approved to join the Scheme (Scheme-KGs) are provided with direct subsidy in the form of a basic half-day (HD) unit subsidy and additional subsidy for whole-day (WD) and long whole-day services. This subsidy covers expenses on salaries for teaching and non-teaching staff and other operating costs. In addition, school-specific grants, namely premises maintenance grant, grant for a cook and grant for support to non-Chinese speaking students are also provided to cater for the special circumstances of individual KGs or students. Rental subsidy is also provided under RSS for eligible Scheme-KGs in order to lessen KGs' rental-related financial burden.

Eligibility

3. Only Scheme-KGs operating in rented premises under tenancy agreements are eligible for rental subsidy. Scheme-KGs can only be eligible for either rental subsidy or premises maintenance grant for the school premises concerned.

Usage

4. All Scheme-KGs should spend the rental subsidy solely on rental expenditure for students of the KG section/classes offering local curriculum¹. Any rental expenditure of non-school portion should not be included.

Amount of subsidy

5. For accountability and effective use of public resources, the rental subsidy to some KGs may not cover their full rental cost because of (i) low fill-up rate (details to be set out in paragraph 6(i) below); (ii) “dual” caps (details to be set out in paragraph 6(iii) below); and/or (iii) the rental cost exceeding the market rent as assessed by Rating and Valuation Department (RVD). The difference between the actual rental expenditure and the rental subsidy under (i) and (ii) can be charged to the subsidies under the Scheme and/or school funds. For (iii), the rental cost exceeding the market rent as assessed by RVD, which will be made known to KGs in due course, should not be charged to the subsidies under the Scheme, nor will be recognised for school fee assessment. It should be borne by school funds (except school fees). In this regard, we would like to remind the KGs concerned once again to draw up concrete plans as early as possible to ensure that they can maintain a sound financial situation and operate smoothly. If individual KGs are under special circumstances, please put them forward to their respective Senior School Development Officers or Senior Services Officers.

6. The amount of rental subsidy may vary by the specific circumstances of individual Scheme-KGs. Details are set out as follows:

(i) Nominated Estate KGs

For Scheme-KGs in housing estates operating in premises allocated under the EDB-administered school allocation or nomination mechanisms (Nominated Estate KGs) which are paying rental at concessionary rate as assessed by the

¹ Only eligible students under the Scheme are included. Eligible students refer to students holding a valid “Registration Certificate for Kindergarten Admission” issued by EDB and enrolled in nursery (K1), lower KG (K2) and upper KG (K3) classes adopting local curriculum.

Hong Kong Housing Authority (around 50% of market rent) and stipulated in the tenancy agreements, they will be eligible for full rental subsidy subject to the fill-up rate² calculated on the basis of total enrolment against the permitted accommodation in one session. The provision will be as follows:

Fill-up Rate	Rental Subsidy Percentage
50% or above	Full
25% to <50%	50%
<25%	25%

Note: New Nominated Estate KGs will be eligible for full rental subsidy in the first three-year tenancy agreement regardless of their fill-up rate.

(ii) Former aided child care centres under the Social Welfare Department (SWD)

For former aided child care centres under SWD before Harmonisation in 2005 currently in receipt of full rental reimbursement and mainly situated in premises of public housing estates paying less than 50% of market rent, they will continue to be eligible for full rental subsidy.

(iii) Other KGs

(a) For other KGs, the rental subsidy will be subject to “dual” caps at 50% of the market rent as assessed by RVD, or 15% of the “basic HD unit subsidy”³ for all eligible students of the Scheme-KG, whichever is lower. Should the amount of the rental stipulated in the tenancy agreement be lower than RVD’s assessment, the cap at 50% of the market rent will be based on the rental stipulated in the tenancy agreement.

(b) For individual Scheme-KGs which were paying market rent and receiving rental subsidy under the Rent Reimbursement Scheme in the 2016/17 school year but are entitled to less subsidy under RSS, their rented premises under the Rent Reimbursement Scheme in the 2016/17 school year continued to receive full rental subsidy during the four-year grace period from the 2017/18 to 2020/21 school years. After the above grace period, their rental subsidy would be subject to “dual” caps in a similar manner as other KGs paying market rent according to the original schedule. To facilitate a gradual transition to “dual” caps for these KGs and minimise the impact on school fees, the EDB announced in September 2021 in [EDB Circular Memorandum No. 119/2021](#) the grace period would be extended

² The session with the higher enrolment shall be taken for calculation of fill-up rate as follows:

[The number of students in the KG in the morning session or in the afternoon session whichever is higher ÷ total permitted accommodation as stated on the Accommodation Certificate] × 100%

³ Since the current economic situation has yet to stabilise, the following basic HD unit subsidy rate, based on the level of subsidy for the 2021/22 school year, is only a provisional figure for schools’ reference: the basic HD unit subsidy (provisional) for the 2022/23 school year will be \$36,150 per student per annum. The 15% of HD unit subsidy per month used in calculating monthly rental subsidy is \$452 [$\$36,150 \times 15\% \div 12$ (rounded to the nearest integer, if applicable)]. The exact amount will be made known to KGs in due course.

for two years to the 2022/23 school year, during which the amount of subsidy would be decreased by 15% each year, i.e. their rental subsidy in the 2021/22 and 2022/23 school years would be 85% and 70% of the rentals respectively. Specifically, in the 2022/23 school year, the rental subsidy amount of these KGs will be 70% of the rental as stipulated in the tenancy agreement or market rent as assessed by RVD, whichever is lower, subject to the specified fill-up rates for Nominated Estate KGs as set out in paragraph 6(i) above. **Starting from the 2023/24 school year, the amount of rental subsidy of these KGs will be subject to “dual” caps.** To ensure smooth operation, KGs concerned should plan ahead as soon as possible for the transition to “dual caps”. Should individual KGs be eligible for the extended grace period above, but choose to be covered under the “dual” caps with effect from the 2022/23 school year, they should complete and return the [Appendix](#) to EDB on or before **18 March 2022 (Friday)**.

Other considerations

7. For any Scheme-KGs that are also approved to operate child care services for children aged 0 to 3 years (except former aided child care centres under SWD as mentioned in paragraph 6(ii) above) and/or classes offering non-local curriculum, the calculation of rental subsidy will be based on the proportion of KG/child care centres (CCC) sections, local/non-local streams, and eligible/ineligible students under the Scheme.

8. If an approved Scheme-KG has been rejected by EDB to stay in the Scheme or approved by EDB to withdraw from the Scheme as respectively set out in paragraphs 9.4 and 9.5 of the “Terms and Conditions for Joining the Kindergarten Education Scheme” at Appendix 1 of [EDB Circular Memorandum No. 150/2021](#), only the eligible students staying in the Scheme will be counted in calculating the rental subsidy. In this connection, apportioning the rental expenditure between eligible students staying in the Scheme and ineligible students under the Scheme will be required in accounting and auditing.

Disbursement arrangement

9. Rental subsidy will be disbursed on a monthly basis from August or September (to tie in with the commencement of the school year of individual Scheme-KGs). The provisional amount of rental subsidy will be released on the basis of the projected enrolment as of September (provided by KGs concerned through the RSS System as

mentioned in paragraph 14 below). Under normal circumstances, after verifying the actual enrolment of eligible students as of September, EDB will adjust the amount of rental subsidy as necessary in January and/or subsequent months of the school year concerned.

Accounting arrangement

10. For accounting and auditing purposes, Scheme-KGs are required to maintain separate ledger accounts to record rental subsidy and rental expenditure, and report these income and expenditure in their annual audited accounts to be submitted to EDB. Detailed reporting requirements will be set out in separate circular memorandum calling for submission of annual audited accounts. Documents such as tenancy agreements and rental receipts should be kept at schools and made available to EDB when requested. As a usual practice, relevant records of the subsidy should be kept for a period of not less than seven years. Any unspent balance of the rental subsidy based on annual audited accounts will be clawed back by EDB.

11. Scheme-KGs are required to return the amount of rental subsidy they received as specified by EDB in full to the Government if they are subsequently found using the subsidy for other purpose(s) and/or no longer meeting the eligibility criteria. Scheme-KGs should inform EDB in writing in the first instance when there are any changes in their operation which make them no longer eligible for rental subsidy, and EDB reserves the right to withhold the payment of the subsidy concerned, deduct the overpaid amount from other grants, and/or demand immediate repayment.

APPLICATION PROCEDURES

12. Scheme-KGs meeting the eligibility criteria set out in paragraph 3 above are invited to apply for joining RSS in the 2022/23 school year. KGs having submitted applications to join the Scheme with approval pending may also apply. Approval for the rental subsidy will be subject to approval for them to join the Scheme. Eligible KGs currently in receipt of rental subsidy under RSS have to submit fresh applications for the 2022/23 school year. However, former aided child care centres under SWD currently in receipt of rent reimbursement should continue to follow the existing procedures for rent reimbursement, hence need not apply for rental subsidy under RSS.

13. The amount of rental subsidy disbursed to each eligible Scheme-KG is based on the school registration under the Education Ordinance (Cap. 279) by each registered school location enrolled with KG students. For Scheme-KGs with more than one registered school locations with separate tenancy agreements, separate applications

should be submitted. For those having all or some school locations under the same tenancy agreement, one application should be submitted for school locations under the same tenancy agreement.

14. KGs should submit applications in the RSS System under the Kindergarten Education Scheme System accessed through the Common Log-on System (<https://fkg.edb.gov.hk/>) (referred to as “**E-Application**”)⁴ following the procedures illustrated in the “Procedural Guide on E-Application for Rental Subsidy under the Rental Subsidy Scheme” (RSS Guide)⁵. In particular, applicant Scheme-KGs have to input all the required information⁶ and follow the procedures for E-Application; print out the whole set of duly completed schedules from the RSS System; and submit their applications signed by the supervisors to their respective Senior School Development Officers or Senior Services Officers together with the following documents **on or before 31 March 2022 (Thursday)**:

- (i) tenancy agreement; and
- (ii) documentary evidence provided by the landlord/grantee, indicating that the property/site can be let/sublet for rental purposes.

TIE-IN WITH FEE ASSESSMENT

15. Through the E-Application, the estimated amount of rental subsidy per month for individual eligible Scheme-KGs will be computed by the RSS System⁷. Eligible Scheme-KGs should use the same set of estimated enrolment information as mentioned at footnote 6 below for fee revision application of the school year; and accept any adjustment made by EDB to the approved school fees corresponding to the amount of rental subsidy.

NEW TENANCY AGREEMENT

16. Scheme-KGs should apply via E-Application for a change in the amount of the rental subsidy pursuant to a new tenancy agreement through the Common Log-on

⁴ Submission of application in hard copy which is NOT prepared and printed through the RSS System will not be accepted.

⁵ The RSS Guide can be downloaded from the Kindergarten Education Scheme System accessed through the Common Log-on System (<https://fkg.edb.gov.hk/>) following the procedures illustrated at the [Annex](#).

⁶ Eligible Scheme-KGs are required to provide the rental related information such as the validity period of the tenancy agreement, the monthly rental, and the estimated enrolment as of September of the 2022/23 school year for the KG section by level [i.e. nursery (K1), lower KG (K2) and upper KG (K3) classes], by session [i.e. AM, PM and WD]; and by stream (local and non-local curriculum), and estimated enrolment for the CCC section, if applicable.

⁷ Subject to adjustment according to the market rent as assessed by RVD as necessary.

System⁴ (<https://fkg.edb.gov.hk/>) irrespective of whether there is any change in the rental amount. Detailed procedures are illustrated in the RSS Guide.

ENQUIRIES

17. For enquiries, please contact your respective Senior School Development Officer / Senior Services Officer.

Ms Y Y SO
for Permanent Secretary for Education

cc : Heads of Sections - for information

**KGs under Grace Period Opting to be under the “Dual” Caps
Starting from the 2022/23 School Year**

(To be returned to respective Senior School Development Officer / Senior Services Officer of the kindergarten on or before **18 March 2022 (Friday)**.)

I _____(Name of School Supervisor),
Supervisor of _____(Name of Kindergarten),
write to confirm that the said kindergarten opts to be covered under the “dual” caps and the conditions detailed in paragraph 6(iii)(a) of Education Bureau Circular Memorandum No. 9/2022 dated 2 March 2022 on “Rental Subsidy Under the Kindergarten Education Scheme in the 2022/23 School Year” with effect from the 2022/23 school year. I understand that the option, once made, is irreversible.

Signature of Supervisor: _____

Name of School: _____

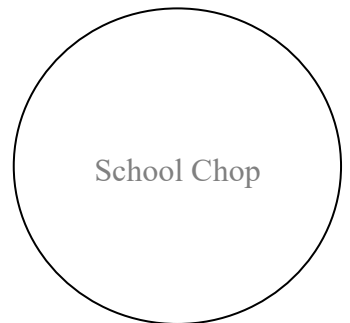
School Registration No.: _____

Telephone No.: _____

Contact Person (Name): _____

Contact Person (Post): _____

Date: _____



Procedures for Obtaining “Procedural Guide on E-Application for Rental Subsidy under the Rental Subsidy Scheme” through Common Log-on System

1. Enter the following URL into the browser address bar:

<https://fkg.edb.gov.hk/>



Figure 1

2. Log into the Common Log-on System.

A screenshot of the Common Log-On System (CLO) login page. At the top left is the Education Bureau logo, which is a red circular emblem with a white stylized flower and the text 'HONG KONG' below it. To the right of the logo, the text '教育局' (Education Bureau) and 'Education Bureau' is displayed. Below this, the title 'Common Log-On System' and '統一登入系統 (CLO)' is shown. There are two input fields: 'Username/用戶名稱' and 'Password/密碼'. Below the password field is a blue button labeled 'Logon / 登入'. To the right of the button are links for 'FAQs/常見問題', 'Forgot Username/Password' (with the Chinese translation '忘記用戶名稱/密碼' below it), and 'Self Register/自助註冊' (in a green button). At the bottom, there is a link: 'Click [here](#) to register a new e-Services Portal School Account/按此註冊新的電子化服務入門網站學校戶口'.

Figure 2

3. Enter the Kindergarten Education Scheme System after the login is successful.
Click to expand the item Rental Subsidy Scheme (RSS) on the menu bar.

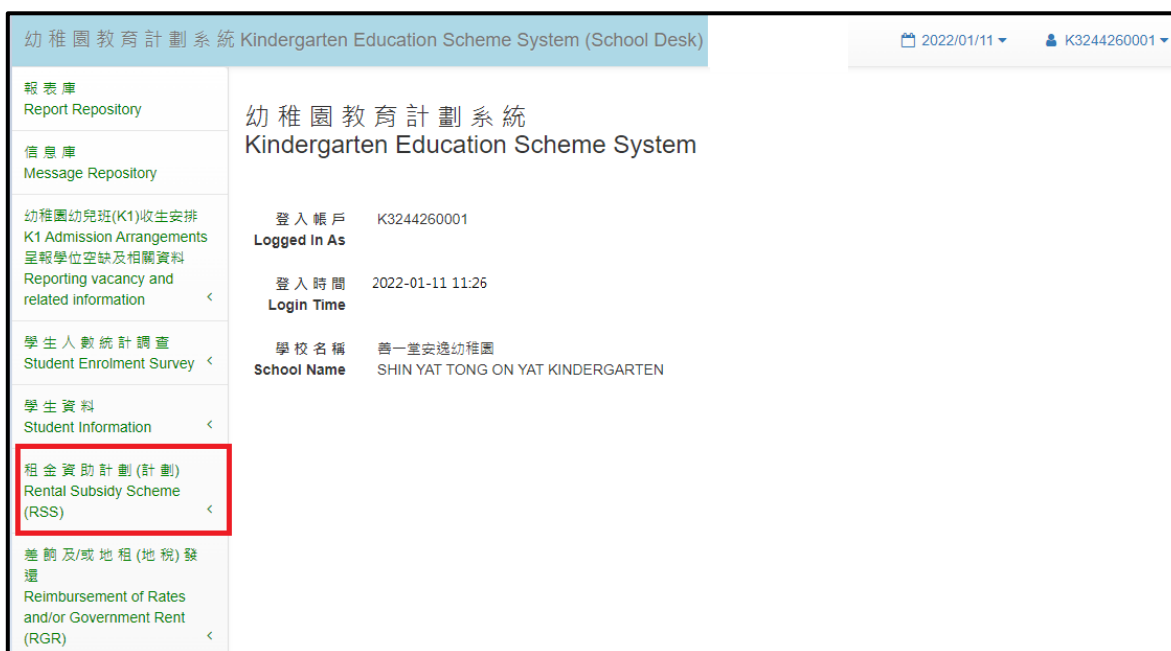


Figure 3

4. Select “Procedural Guide on RSS E-Application” on the drop-down menu.

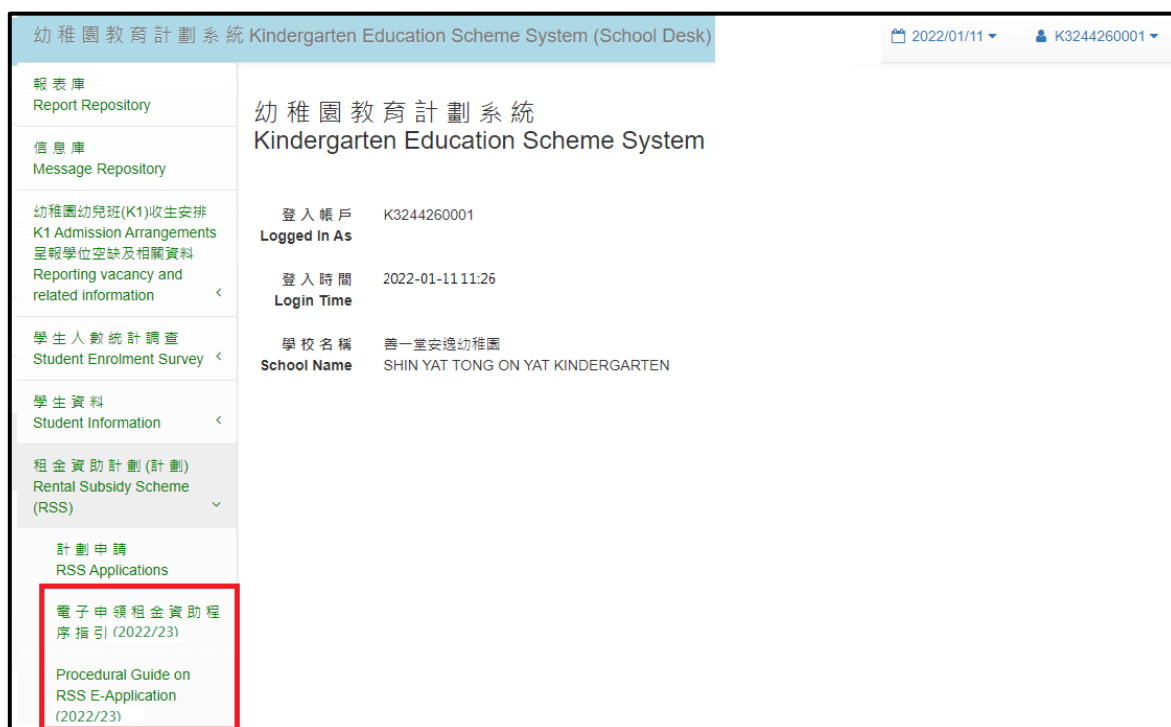


Figure 4

5. The RSS Guide will be opened directly by browser in PDF format which may be downloaded and printed.